ON-SITE SYSTEMS, INC.

A PUBLIC UTILITY CO.

January 13, 2003

Mr. David Waddell Executive Secretary Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, TN 37243-0505

RE: Petition to amend its Certificate of Convenience and Necessity 03-0069

Dear Mr. Waddell:

On-Site Systems, Inc. desires to expand its service area to include a development in Sevier County, Tennessee known as Smoky Mountain Ridge Resorts (described on Tax Map 104, Parcels 76 and 79). The attached Petition is in support of our request.

Sincerely,

Charles Pickney, Jr., President

On-Site Systems, Inc.

7638 River Road Pike Nashville TN 37209-5733 (615) 356-7294 Fax (615) 356-7295

BEFORE THE TENNESSEE REGULATORY AUTHORITY NASHVILLE, TENNESSEE

IN RE: PETITI	ON OF ON-SITE SYSTEMS, INC. TO AMEND ITS
DOCKET N	CATE OF CONVENIENCE AND NECESSITY No
	Petition of On-Site Systems, Inc. To amend its Certificate of Convenience and Necessity

On-Site Systems, Inc. ("On-Site") petitions the Tennessee Regulatory Authority ("TRA") to amend On-Site's Certificate of Convenience and Necessity to expand its service area to include a portion of Sevier County known as Smoky Mountain Ridge Resorts as described as Map 104, Parcels 76 and 79. At present, neither the County of Sevier nor the City of Pigeon Forge has the desire or ability to provide sewer service to this area. (See attached letters.)

The proposed service area comprised of approximately 230 acres is shown in Exhibit A attached hereto.

Respectfully submitted,

Charles Pickney Jr., President

On-Site Systems, Inc.

On-Site Systems, Inc. Sewer Service Billing Summary Residential Sewer Rates

System	Monthly Charge
Oakwood Subdivision – Maury County	\$36.67
Southridge Subdivision – Montgomery County	\$19.38 + actual cost
Swan Harbor – Roane County	\$35.11
River Road Utility District - Cheatham County	\$31.15
Milcrofton Utility District – Williamson County	\$37.21
Tall Oaks Subdivision – Blount County	\$35.11
Yoakum Hollow Dev. (Windsor Pt) - Campbell County	\$35.11
Shreibman Development – Cannon County	\$35.11
Cornerstone of Mitchell Creek - Overton County	\$35.11
Bolton Area – Shelby County	\$32.68
Ussery #1- Sevier County	\$35.11
Harbor Pointe – Dekalb County	\$35.11
Hidden Springs Resort – Sevier County	\$35.11
Eagle Crest Development – Sevier County	\$35.11
Legacy Bay – Hawkins County	\$35.11
Dollywood Project - (Dream Catcher Ridge) - Sevier County	\$35.11
Homestead Subdivision - Sevier County	\$35.11
Rice Property – DeKalb County	\$35.11
East Stewart – Stewart County	\$30.98 – Lagoon \$35.11 – Sand Gravel Filter

On-Site Systems, Inc. Sewer Service Billing Summary Residential Sewer Rates

Jackson Bend Subdivision – Blount County	\$35.11
Browning Subdivision – Knox County	\$35.11
Starr Crest II – Sevier County	\$35.11
City of Coopertown - Robertson County - Lagoon - Sand-Gravel Filter	\$30.98 + 3% Franchise fee \$35.11 + 3% Franchise fee
Eagle Springs – Sevier County	\$35.11
Horseshoe Bend – Bedford County	\$35.11
Eagle Crest II - Sevier County	\$35.11
Gnatty Branch Refreat – Sevier County	\$35.11
Airbase Road Condominiums – Blount County	\$35.11
Goose Creek Area-Williamson County	\$35.11
Falling Waters – Sevier County	\$35.11
Stewart County West – Stewart County	\$35.11
Lighthouse Point Condominiums – Jefferson County	\$35.11
The Highlands – Sevier County	\$35.11

Fees: Nonpayment – 5%, Disconnection - \$10, Reconnection - \$15, Return Check - \$20, Access - \$84/yr

On-Site Systems, Inc. Sewer Service Billing Summary Residential Sewer Rates

System

Monthly Charge

PROPOSED

Smoky Mountain Ridge Resorts

\$35.11

On-Site Systems Sewer Tariff TRA#1

On-Site Systems, Inc. Sewer Service Billing Summary

Commercial Sewer Systems

System	County
Townsend Town Square	Blount County
Coopertown	Robertson County
East Stewart	Stewart County
Highway 31 Project (Herndon's BP)	Robertson County
Lyles Texaco	Hickman County
Topside Business Park	Blount County

Tariff Rate Sheet

Commercial Sewer Rates - with food service

The monthly sewer charge per customer is based on the design daily flow expected from the type of establishment being served. A minimum of \$100 per month will be charged for up to the first 300 gallons per day of design flow expected. (Except off-site which will have a \$94.00 minimum plus pass through costs.) For each additional 100 gallons per day of design flow expected, up to a total of 1,000 gallons per day, an additional charge of \$18.00 per month per 100 gallons will be levied. For design flows expected over 1,000 gallons per day, up to 3,000 gallons per day, the following monthly charges per 1,000 gallons of daily flow will apply.

Disposal

Treatment

	Drip Irrigation	Point Discharge	Off Site
Sand-Gravel Filter	\$170.00	\$192.00	N/A
Lagoon	\$142.00	\$163.00	N/A
* Off Site	N/A	N/A	Pass through costs & \$94.00

For design daily flows over 3,000 gallons, the monthly charge on all system configurations will be \$142.00 per 1000 gallons of daily flow.

Additional surcharges will apply when customers exceed their expected design flows. For any month that a customer's water meter reading exceeds the expected design flow, the following surcharges will apply:

Excess water usage	Surcharge
1 gallon to 1,000 gallons above expected design flow	\$210.00
1,001 gallons to 2,000 gallons above expected design flow	\$220.00
Over 2,000 gallons above expected design flow	\$220.00/1000 gallons

If the water meter readings exceed the design flow for any three consecutive months, the monthly charge will be revised to reflect the increased usage and any capital costs associated with increasing the capacity of the system will be paid by the customer.

* Off Site means treatment and disposal by another entity such as a city or utility district

Fees: Nonpayment – 5%

Disconnection - \$10 Reconnection - \$15 Returned Check - \$20

City of Coopertown Franchise Fees: 3%

Tariff Rate Sheet

Commercial Sewer Rates - without food service

The monthly sewer charge per customer is based on the design daily flow expected from the type of establishment being served. A minimum of \$75 per month will be charged for up to the first 300 gallons per day of design flow expected. (Except off-site which will have a \$73.00 minimum plus pass through costs.) For each additional 100 gallons per day of design flow expected, up to a total of 1,000 gallons per day, an additional charge of \$15.00 per month per 100 gallons will be levied. For design flows expected over 1,000 gallons per day, up to 3,000 gallons per day, the following monthly charges per 1,000 gallons of daily flow will apply.

Disposal

Treatment

	Drip Irrigation	Point Discharge	Off Site
Sand-Gravel Filter	\$140.00	\$165.00	N/A
<u>Lagoon</u>	\$116.00	\$140.00	N/A
* Off Site	N/A	N/A	Pass through costs & \$73.00

For design daily flows over 3,000 gallons, the monthly charge on all system configurations will be \$116.00 per 1000 gallons of daily flow.

Additional surcharges will apply when customers exceed their expected design flows. For any month that a customer's water meter reading exceeds the expected design flow, the following surcharges will apply:

Excess water usage

1 gallon to 1,000 gallons above expected design flow 1,001 gallons to 2,000 gallons above expected design flow Over 2,000 gallons above expected design flow

Surcharge \$175.00

\$200.00 \$200.00/1000 gallons

If the water meter readings exceed the design flow for any three consecutive months, the monthly charge will be revised to reflect the increased usage and any capital costs associated with increasing the capacity of the system will be paid by the customer.

* Off Site means treatment and disposal by another entity such as a city or utility district

Fees: Nonpayment - 5%

Disconnection - \$10 Reconnection - \$15 Returned Check - \$20

City of Coopertown Franchise Fees: 3%

December 5, 2002

Mr. Michael Hines 1920 Breezy Ridge Trail Concord, Tennessee 37922

Dear Mr. Hines,

During the next twelve months Sevier County does not have any plans to provide sewer services to the approximately 230 acres located on the north end of Wears Valley along U.S. 321. The area is identified as Map 104, parcels 76 and 79 as shown on the Sevier County Tax Assessor's Map. If you should have further questions or need more information, please contact me.

Sincerely,

Larry Waters
County Executive

LW/sm



SEVIER COUNTY

LARRY WATERS
County Executive

Room 201E 125 Court Avenue Sevier County Court House Sevierville, Tennessee 37862 Office: (865) 453-6136 Home: (865) 453-6830



December 4, 2002

Mr. Michael Hines, M.S., P.E. Principal Southeast Environmental Engineering, LLC 1920 Breezy Ridge Trail Concord, Tennessee 37922

Dear Mr. Hines:

Thank you for your letter requesting sewer service to approximately 230 acres located along U.S. 321 in Wears Valley known as Smoky Mountain Ridge.

The City of Pigeon Forge has no plans to extend sewer service to this area within the next twelve months.

Please let me now if you have further questions.

Sincerely,

CITY OF PIGEON FORGE

Carline Deaster

Earlene M. Teaster City Manager

EMT:sg

State Barrie

xc: Michael Blazer, Director Sevier County Health Dept.



